

Message Text

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ACTION ARA-10

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TAGS: ELAB VE PFOR ECON

SUBJ: PETROLEUM NATIONALIZATION AND LABOR (II)

REF: CARACAS 9302

1. PRESIDENT PEREZ REPLIED IN WRITING TO WORKER DEMANDS PRESENTED TO HIM IN CONNECTION WITH THE NATIONALIZATION OF THE PETROLEUM INDUSTRY. DEMANDS WERE PRESENTED ON BEHALF OF THE WORKERS BY THE CONFEDERATION OF VENEZUELAN WORKERS (CTV), AND THE TWO PETROLEUM WORKERS UNIONS (FEDEPETROL AND FETRAHYDROCARBUROS). PEREZ OFFERED TO PAY HALF OF THE SEVERANCE AND SENIORITY BENEFITS IN CASH (15-DAYS' PAY FOR EACH YEAR WORKED) UPON NATIONALIZATION. THIS IS THE SAME AMOUNT PAID THE IRON MINERS AFTER THEIR SECOND WILDCAT STRIKE IN JUNE 1975. PEREZ ALSO PROMISED THAT NO UNILATERAL CHANGES WOULD BE MADE IN THE WORKING CONDITIONS OR BENEFITS OF THE WORKERS IN THE NATIONALIZED PETROLEUM INDUSTRY. COMMITTEES REPRESENTING THE UNIONS, MANAGEMENT AND THE GOV WILL BE SET UP TO STUDY SUCH MATTERS AS SHIFTING COMPANY -PROVIDED HEALTH SERVICES TO THE SOCIAL SECURITY INSTITUTE, BUT NO ACTION WILL BE TAKEN WITHOUT WORKER APPROVAL.

2. COMMENT: THE NEXT MOVE IS UP TO THE UNIONS. PETROLEUM LABOR
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LEADERS OF GOVERNING ACCION DEMOCRATICA (AD), ADN OPPOSITION

MOVIMIENTO ELECTORAL DEL PUEBLO (MEP), UNION REPUBLICANA DEMOCRATICA (URD), AND MOVIMIENTO AL SOCIALISMO (MAS) HAVE ALL ASSURED THE LABOR ATTACHE THAT NATIONALIZATION WILL TAKE PLACE SMOOTHLY WITHOUT LABOR STRIFE. DESPITE THESE ASSURANCES, IT SHOULD BE RECALLED THAT THE IRON MINES WILDCATS WERE RANK-AND-FILE REVOLTS AGAINST UNION LEADERSHIP. THE SAME THING COULD HAPPEN IN PETROLEUM. ANOTHER DISRUPTIVE FACTOR COULD BE THE INTERNAL POLITICAS SURROUNDING THE FEDEPETROL CONVENTION SCHEDULED FOR DEC 1975. MANY WORKERS ARE DEMANDING FULL PAYMENT OF SEVERANCE AND SENIORITY BENEFITS. THE WHITE COLLAR WORKERS ASSOCIATION (AGROPET) IS ALSO BECOMING MORE MILITANT ALTHOUGH IT HAS FORMULATED NO SPECIFIC DEMANDS. THE EMBASSY CONSIDERS SERIOUS LABOR STRIFE IN THE PETROLEUM INDUSTRY UNLIKELY PRIOR TO ITS JAN 1, 1976, NATIONALIZATION. FOLLOWING NATIONALIZATION THE LIKELIHOOD OF LABOR STRIFE WILL GREATLY INCREASE. THE EXPIRATION OF THE PETROLEUM WORKERS CONTRACT IN JUNE 1976 WILL BE ANOTHER CRITICAL TEST OF THE GOV'S ABILITY TO COPE WITH THE PETROLEUM WORKERS IN A NATIONALIZED INDUSTRY.

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